IN THE SENATE OF THE UNITED STATES.

MARCH 2, 1861.—Ordered to be printed.

Mr. BIGLER made the following

REPORT.

(To accompany bill S. No. 575.)

The Committee on Patents, to whom was referred the petition of Samuel F. B. Morse, report:

The petitioner, Samuel F. B. Morse, is the inventor of the well known and world renowned electro-magnetic telegraph. On the 20th day of June, 1840, he obtained letters patent for his invention for the term of fourteen years. These letters patent were surrendered for correction, and reissued January 20, 1846, running for the term of fourteen years from June 20, 1840. They were again surrendered for correction and reissued June 13, 1848, running fourteen years from June 20, 1840, and consequently would have expired on the 20th of June, 1854, by their own limitation; but in May, 1854, Mr. Morse, in due form of law, made application to the Commissioner of Patents for an extension of time of his patent, which application, after a protracted and thorough examination, was granted for the extended term of seven years, from June 20, 1854.

On the 11th of April, 1846, a second patent for improvement was granted, running for the term of fourteen years. The second patent, which would have expired in 1860, was extended, in April, 1860, for seven years, on petition of said S. F. B. Morse, after a careful examination of evidence and facts presented.

The petitioner now asks a further extension of his patent of 1840; not for the full term of seven years usually asked for, but only for the more limited term till the expiration of his second patent of 1846. This letter patent of 1846 will expire by its own limitation on the 11th of April, 1867. The patent of 1840, extended seven years in 1854, would expire June 20, 1861, and if extended seven years, would expire June 20, 1868; but the petitioner asks that this latter patent may be only extended until the expiration of the second patent, in April, 1867, so that the term of additional extension will be five years, nine months, and twenty days, when the whole telegraph invention comprehended in the two patents will become public property.

The two inventions for which the petitioner has obtained separate patents are intimately blended, that, like the Siamese twins, they

are, so to speak, dependant in a great measure upon each other; that a single ligature binds them together for effective use, so that a separation of the two will endanger the life of both.

Your committee do not deem it necessary to go into a history of the difference existing between the two inventions of Mr. Morse, nor into a disquisition in elucidation of the relationship of these inventions, because it is not considered necessary on this occasion. Nor is it necessary to demonstrate in words the practicability or utility of Professor Morse's wonderful invention.

The electro-magnetic telegraph has vindicated itself throughout the civilized world, and elicited unbounded enconiums from princes, potentates, and the lovers of science in all countries under the sun. It is but proper to state, however, that for about fifteen years Professor Morse has been constantly beset by persons who have infringed upon his patented property, which fact involved him in protracted, multiplied, and expensive litigation; and although the judicial decisions were uniformly in his favor, he was still exposed, at his advanced stage of life, to the mental annoyance and pecuniary loss consequent upon such litigation. On this subject your committee will quote the very words of the petitioner. He says:

"At present, the legal victories he has gained have given him a temporary peace, much needed at his advanced age, a peace which essentially depends in the future on the granting of your petitioner's prayer by your honorable body. Should his petition be refused, it will be readily perceived that fresh points for litigation may arise from the anomalous position towards each other of two parts of a whole invention, separated in two patents, expiring at different periods of time. By granting the extension prayed for, the whole invention comprehended in the two patents will at one and the same time become the unembarrassed property of the public, while the act shields your petitioner from the possible, not to say probable, litigations which he may be called on to meet. The use of one part of the invention becomes the property of the public from the expiration of the patent for that part, while the other part is still held as a monopoly, produces a contingency which tends to litigation by tempting encroachments and making opportunities for infringement."

The next point to be noticed by your committee, is the amount of profit or remuneration the petitioner has received from his two patents, which he now asks to be consolidated and extended, as before stated. And on this branch of the subject, we will quote from his petition the following extract:

"If it should be intimated that your petitioner has already received sufficient remuneration from his patents, and therefore should be denied his prayer, it may be well to state that the amount and condition of his property derived from the invention as a patented property, have not materially changed since the last exhibit thereon in the evidence before the Commissioner of Patents, as given at page 10, of document B."

Extract from document B, page 10, above referred to:

Dividends which should not be charged	$130,544 33
Excess in value of stock	36,950 00
Error	44,583 00
Total	$212,077 33

Reported net proceeds	$170,199 31
Excess in value of stock to Kendall	39,000 00
Excess in expenditure by Morse	21,000 00
	$230,199 31
Subtracting	212,077 33
Leaves	$18,121 98

"The $21,000 is a charge of $1,000 per annum while Morse was perfecting himself as an artist. I think this is not a fair charge. The $39,000 is the deduction that should be made on the value of stocks paid Kendall, if the price is to be rated at fifteen per cent. of the par value. Adding these to that side of the account will correct the error. If, therefore, the price of the stocks is reckoned at fifteen per cent. of their gross amount, and if we strike out the charge for dividends received, and then correct the error resulting from the double charge of $44,583, the entire amount received by Morse as net profits on both patents is only $18,121 98."

In a letter from the Honorable Amos Kendall, Professor Morse's general agent at Washington city, District of Columbia, January 26, 1861, addressed to the Honorable William Bigler, chairman of Senate Committee on Patents, we find the following statement:

"The facts and arguments of Mr. Morse in pamphlet marked B, are in general as potent in favor of the further extension of the first patent as they were in favor of the extension of the second. Very little has since been received by Professor Morse from the sale of patent rights; nor can he expect a direct benefit of more than about thirty thousand dollars of stocks in various telegraphic companies, the value of which measurably depends on the protection afforded by his patent.

"Could Professor Morse have realized the entire profits growing out of his patents, directly and indirectly, he would have been one of the richest men in America.

"He gave one quarter of his invention to secure the services of an individual as agent and counsel, who, instead of advancing his interests, so managed as to destroy about one half of the value of his remaining interest.

"He gave an eighth of his invention for money and mechanical aid in trying experiments, and one sixteenth for scientific advice. Of the remaining nine sixteenths, he gave, in effect, about four parts to secure the services of another agent, leaving to himself only about five sixteenths of his original property in his patents, and all this before one

rod of line, except the governmental experimental line (from Washington to Baltimore) had been built, or a dollar in money or a share of stock realized for the sale of patent rights.

"These five sixteenths still left to him were further sadly reduced in value by infringements, frauds, and litigation of a most annoying and expensive character.

"And now the troubles of the country bid fair to reduce in value, if they do not destroy, one half of the stocks he has derived from the remnant of his invention.

"It seems to me there could scarcely be a stronger case made out for the extension of a patent by Congress; and if it were of less pecuniary importance to the petitioner than it really is, they will not deny him the small boon as an honorable appreciation of the American citizen who has given to the world the best electro-magnetic telegraph yet invented."

In a postscript to the letter just quoted, we find the following remarks, which we deem appropriate:

"It is believed the public has nothing to gain by a refusal to grant the prayer of Professor Morse. Its telegraphic business is now done as well and as cheaply as can ever be expected, except, perhaps, for short periods, when the spirit of speculation may temporarily reduce the rates, to end in the destruction of the capital invested, or in new companies, leading to their increase to higher figures than ever.

"Nor have the public any interest in the litigation which would grow out of attempts to get up lines of telegraph by the use of Morse's first invention, and attempts to evade his second. Surely it is the safest course for all parties that both patents should become public property at the same time, and in that event Professor Morse will scarcely have enjoyed their protection for the twenty-one years which in other cases the Patent Office is authorized to grant."

In view of the foregoing facts, your committee are of the opinion that the prayer of Professor Morse should be granted, and therefore report a bill accordingly.